

**5/30/78']3\_**

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# WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

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Cabinet Summary	<del>Andrew Young to Pres. Carter, 1 pg., re: UN activities</del> <i>opened per RAC NLC-126-12-36-1-8, 4/17/13</i>	5/26/78	A
Cabinet Summary	Brown to Pres. Carter, w/attachments 3 pp., re: Defense activity summary	5/30/78	A

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THE WHITE HOUSE  
WASHINGTON

May 30, 1978

Frank Moore

The attached was returned in  
the President's outbox. It is  
forwarded to you for your  
information.

Rick Hutcheson

LABOR LAW REFORM -- CALLS TO  
LONG AND SPARKMAN

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input checked="" type="checkbox"/>	IMMEDIATE TURNAROUND
<input type="checkbox"/>	NO DEADLINE
<input type="checkbox"/>	LAST DAY FOR ACTION -

<input type="checkbox"/>	ADMIN CONFID
<input type="checkbox"/>	CONFIDENTIAL
<input type="checkbox"/>	SECRET
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ACTION  
FYI

<input type="checkbox"/>	VICE PRESIDENT
<input type="checkbox"/>	EIZENSTAT
<input type="checkbox"/>	JORDAN
<input type="checkbox"/>	KRAFT
<input type="checkbox"/>	LIPSHUTZ
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<input type="checkbox"/>	POWELL
<input type="checkbox"/>	WATSON
<input type="checkbox"/>	WEXLER
<input type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	MCINTYRE
<input type="checkbox"/>	SCHULTZE

<input type="checkbox"/>	ADAMS
<input type="checkbox"/>	ANDRUS
<input type="checkbox"/>	BELL
<input type="checkbox"/>	BERGLAND
<input type="checkbox"/>	BLUMENTHAL
<input type="checkbox"/>	BROWN
<input type="checkbox"/>	CALIFANO
<input type="checkbox"/>	HARRIS
<input type="checkbox"/>	KREPS
<input type="checkbox"/>	MARSHALL
<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	VANCE

<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	BOURNE
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	H. CARTER
<input type="checkbox"/>	CLOUGH
<input type="checkbox"/>	COSTANZA
<input type="checkbox"/>	CRUIKSHANK
<input type="checkbox"/>	FALLOWS
<input type="checkbox"/>	FIRST LADY
<input type="checkbox"/>	GAMMILL
<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	JAGODA
<input type="checkbox"/>	LINDER
<input type="checkbox"/>	MITCHELL
<input type="checkbox"/>	MOE
<input type="checkbox"/>	PETERSON
<input type="checkbox"/>	PETTIGREW
<input type="checkbox"/>	PRESS
<input type="checkbox"/>	RAFSHOON
<input type="checkbox"/>	SCHNEIDERS
<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN
<input type="checkbox"/>	WISE

1. TIME - an amendment extending the time within which an election must be held once an election petition has been filed with the signatures of 50% or more of the unit's employers.
2. EQUAL ACCESS - an amendment substantially limiting the union's right to address employees on employer property during an election campaign, once the employer has addressed such an election-related meeting.
3. MAKE WHOLE PROVISIONS - an amendment changing the formula for computation of employee reimbursement where the employer has refused to bargain after an election has been won by the union.
4. SMALL BUSINESS - An amendment limiting the amended Act's application to small business.

With Senator Byrd's concurrence, we have devised a strategy to put the opposition on the defensive by introducing the popular small business amendment prior to the Memorial Day recess - probably on Friday. The proposed amendment will statutorily freeze NLRB jurisdictional standards that are currently established by rule. The effect of the amendment will be to exclude by statute 78% of the nation's businesses from the Act. Labor approves, since most of these small enterprises have already been excluded from NLRB jurisdiction by Board rulings.

The purpose of the small business amendment strategy is to force opponents to filibuster against a vote on an amendment which most Senators approve.

The additional amendments will be farmed out to key Senators on our swing list, so these Senators will have an excuse to support cloture and the bill.

#### E. YOUR INVOLVEMENT

Attached are telephone requests for Senators Long and Sparkman. We recommend the calls be made on Thursday. We will ask the Vice President to call Senator Bumpers.

THE WHITE HOUSE  
WASHINGTON  
RECOMMENDED TELEPHONE CALL

TO: Senator John Sparkman

DATE: Thursday, May 25, 1978

RECOMMENDED BY: Frank Moore, Bob Thomson

PURPOSE: To seek support on the labor reform bill.

BACKGROUND: Senator Sparkman is considered a "longshot" vote on cloture. He has been seen by several Alabama union representatives. On Friday, May 19, Secretary Marshall visited with him for 45 minutes.

Senator Sparkman knows very little about the bill, although he did raise questions about small business and "equal access". He made it very clear to the Secretary that he is wholly uncommitted on the bill and that he wanted to "listen" to the debate. With respect to cloture, he indicated to us that he had only voted for cloture twice in his Senate career - his first cloture vote was on "an important defense bill" and, he said, his second cloture vote was when the President asked him to help stop the filibuster on the Clinch River bill.

We understand that both Senator Byrd and Lou Odom believe that Sparkman might be convinced to go for cloture on the bill.

TOPICS OF DISCUSSION: 1. I know that in your Senate career, you have rarely supported cloture bids, but I badly need your help to end the labor reform filibuster. As you well know, the Congress has before it some of the most crucial issues of our age. These include such issues as dealing with our energy crisis, holding down spiraling hospital costs; reforming our civil service laws and many others. The Senate now has less than 80 working days left to resolve these issues.

If cloture is not invoked soon, many of these days will be wasted going over and over matters that have already been fully debated.

2. Ray Marshall has told me you have questions about certain provisions of the bill - particularly the equal access provisions and the impact of the bill on small business. It is my understanding these issues will both be addressed by amendments that you may desire to cosponsor.

Date of Submission: May 24, 1978

ACTION \_\_\_\_\_

THE WHITE HOUSE

WASHINGTON

RECOMMENDED TELEPHONE CALL

TO: Senator Russell Long

DATE: Thursday, May 25, 1978

RECOMMENDED BY: Frank Moore, Bob Thomson

PURPOSE: To seek support on the labor reform bill.

BACKGROUND: Senator Long is still considered a "longshot" vote on cloture. He has been seen by several union representatives including his close friend, Vic Bussey, who is President of the Louisiana AFL-CIO. Two weeks ago Secretary Marshall visited Long for almost an hour.

During all of these visits, Senator Long expressed general concerns about the "equal access" and debarment provisions of the bill. Secretary Marshall did his best to explain our view of these issues, stating that "equal access" was necessary to allow unions an opportunity to make their case during representation election campaigns and debarment was designed to prevent these employers who purposely break federal laws from benefiting from federal contracts.

Senator Long then raised two other matters:

(1) Stranger picketing and wildcat strikes. Senator Long did not know that the Senate bill broadened the jurisdiction of the courts to protect employers from unauthorized break of contract strikes. He was surprised and satisfied when he learned that the bill authorizes the courts to enjoin concerted refusals to work in breach of contract that are a response to any picket line other than one set up by a union to further its position in a labor dispute. The Secretary also explained to the Senator that in the coal industry, "safety and health" strikes are permitted under the contract as long as they are legitimate walkouts for that purpose and not used as a subterfuge.

(2) Ratification of union contracts by the membership. Senator Long is deeply disturbed



that many unions require the union leadership to send a negotiated contract back to the full membership for ratification. He feels that since management never sends the agreement to the stockholders, this practice should be prohibited as it applies to unions. This concern ostensibly arose when we had so much trouble during the coal strike and the membership rejected the first contract. Senator Long told Secretary Marshall that he would vote for cloture if such an amendment were adopted.

- TOPICS OF DISCUSSION:
1. The current filibuster on labor law reform will prevent consideration of a host of issues that are important to the country if it is allowed to continue past early June. The Senate will have had ample time to discuss the basic issues by the time cloture petitions are laid down. We need your help on cloture to allow the Senate an opportunity to express its will on the labor reform bill.
  2. The Administration bill is a modest response to a serious procedural problem that has developed because of purposeful violations of federal law by a small minority of employers. You are no doubt aware that labor wanted much more than what is now included in the legislation, but they responded to our appeal that the legislation primarily address injustices and inequities in current law rather than break new ground. Those few provisions that provide new safeguards, such as the "equal access" and debarment provisions, are narrowly drawn to reduce a particular advantage that employers have in addressing captive audiences and to assure that these employers who "flagrantly and willfully" violate federal law are not supported by federal contracts. If you have a problem with the breadth of these provisions, we are not entirely inflexible.
  3. The bill has some provisions that will contribute substantially to peaceful resolution of labor disputes. For example, there are significant restrictions on the type of stranger picketing that was so threatening to settlement of the last coal strike.

4. The Senator is likely to discuss his view that contracts, once agreed to by union leadership, should not be subject to ratification by the membership. The suggested response is as follows:

"Current law, including the Landrum-Griffin Act, neither requires nor prohibits procedures for ratification. The Act does require those unions having ratification procedures to submit detailed information concerning those procedures to the Secretary of Labor. The decision whether or not to have a ratification procedure is left up to the free choice of the union. Any amendment to prohibit unions from adopting ratification procedures would be contrary to the concept of union democracy which underlies our labor laws. Under the NLRA, unions are selected to represent the interests of employees and their power derives from those employees who selected them. Under present law the membership may democratically decide whether or not to have a contract ratification procedure (just as the stockholders of a corporation may choose to have such a procedure). While union members may decide to delegate final contract authority to their leadership (and many unions have done so), any prohibition of a ratification procedure would be undue interference with the internal affairs of the unions involved.

"In the final analysis, the effectiveness of a labor settlement depends on its acceptance by members. They cannot be forced to work. Where a union has adopted ratification procedures, it is often advantageous to have a confirmation vote with the full force of the union leadership behind the settlement."

Date of Submission: May 24, 1978

ACTION \_\_\_\_\_

THE WHITE HOUSE  
WASHINGTON

May 24, 1978

Frank.  
Not called.  
When needed,  
I will  
J

MEMORANDUM TO THE PRESIDENT

FROM: FRANK MOORE *F.M./BR*  
BOB THOMSON *BT*

RE: LABOR LAW REFORM - STATUS REPORT

A. OUTLOOK

The outlook for Senate passage of a labor reform bill is moderately good. Senator Byrd has devised a strategy that is acceptable to us and to labor. He has as good a handle on this piece of legislation as any he has dealt with since you became President. Moreover, we have strong and effective Republican leadership in Senator Javits. Labor has recognized the need for flexibility on key points, so that has improved the prospects, as well. In summary, we have a chance for a solid domestic victory that will be immensely popular with a traditional Democratic constituency, although it is less than popular in most parts of the south.

B. TIMING

The first cloture petition will be filed Monday, June 5. The first vote will occur about 5:00 P.M., Wednesday, June 7. Subsequent votes will occur on Thursday and Friday. If necessary, a fourth cloture vote could occur by the middle of the following week.

C. THE COUNT

We have 52 reasonably solid votes on the first cloture vote June 5. Our best information is that Brooke, Sasser and Stafford will be with us on the second vote for a total of 55. On the third vote, we believe Bumpers, Chiles, Heinz and Percy will join us for a total of 59. The remaining vote will come from one of the following: Cannon, Long, Sparkman, Stevens or Zorinsky. We have confidential information to suggest that Cannon has told close labor supporters he will be with us on the third vote.

D. AMENDMENTS

To gain passage of the bill, we will need amendments in the following areas:

~~CONFIDENTIAL~~

May 26, 1978

5

TO: President Carter  
THROUGH: Rick Hutcheson  
FROM: Ambassador Young  
SUBJECT: US Mission Activities, May 17 - May 24

DISARMAMENT

The Special Session on Disarmament opened on Tuesday, May 23, and will continue until June 28. Vice President Mondale delivered the U.S. statement. General reaction to his speech was that it was tough, with particular note of our sharp commentary on Soviet buildup. President Giscard (France) addressed the Assembly on May 25. His speech highlighted the differing requirements of areas where nuclear arms already exist and those where they do not. He reiterated proposals made during SSOD preparatory meetings including a call for a European conference to discuss limits on conventional arms. He also announced a desire to sign the Treaty of Tlatelolco.

NAMIBIA

Contact Group is presently considering next steps on Namibia in light of Cape Town Five's meeting with Vorster, May 24. At the same time, Ambassador McHenry is visiting Windhoek, Cape Town, and possibly other southern African cities in an effort to assess local attitudes and to discuss the political impact of the Cassinga raid and the resulting delay in the settlement effort.

Contact Group has also agreed on draft Security Council resolution on Walvis Bay which Five would support in the context of SWAPO's acceptance of the proposal. Resolution calls for negotiations to be opened without delay following independence "with view to reaching agreement that Namibia has sovereignty over Walvis Bay".

AMBASSADOR YOUNG'S OTHER MEETINGS

Ella Fitzgerald Center for Performing Arts, received honorary degree, 5/21; Ambassador de Figueiredo (Angola) 5/22; Lord Gormanwy-Roberts, UK Minister of State, Foreign and Commonwealth Affairs, 5/23; Ambassador Roa Kouri (Cuba), 5/24; Vice President Mondale, 5/24; President Mojsov, 5/24; Secretary Vance, 5/24; Secretary General Kurt Waldheim, 5/24.

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for Preservation Purposes

~~CONFIDENTIAL~~

DECLASSIFIED

Per: Rac Project

ESDN: NLC-126-12-36-1-8

BY KS NARA DATE 4/16/13

THE WHITE HOUSE  
WASHINGTON

rick--

copy for you and orig  
for handwriting file  
(or some such thing)

thanks -- susan

THE WHITE HOUSE  
WASHINGTON

May 30, 1978

MEMO FOR: THE PRESIDENT  
FROM: PHIL WISE  
SUBJECT: Schedule for Weeks of  
June 5 and June 12

The attached schedule is essentially the same as submitted earlier except for a few time revisions and previously- approved additions.

*Rick & Phil. Lately  
I have been over-  
scheduled & overloaded  
with paperwork - The  
last two weeks have  
been my worst ones  
JC*

THE WHITE HOUSE

WASHINGTON

May 30, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT *Stu*

SUBJECT: Congressional Correspondence on Designation  
of Competitive Air Service to Boston or  
Los Angeles

You requested that we expedite our response to Congressional letters about the designation of Boston or Los Angeles for competitive service to London.

I have responded to all Congressional mail on this topic. Frank Moore's office contacted members of the House and the Senate directly when you sent a letter to Prime Minister Callaghan requesting British acceptance of a third city. Because members are aware of this action, I do not believe that you should send a response directly.

The CAB decision arrived at the White House late last week. We will have a decision memo to you shortly.

1:00 PM

THE WHITE HOUSE

WASHINGTON

FOR THE PRESIDENT AND MRS. CARTER

FROM GRETCHEN POSTON

DATE: 29 May 1978

SUBJECT: NATO

Please find attached scenarios, etc. re the upcoming  
NATO - related functions at the White House.



THE WHITE HOUSE

WASHINGTON

May 26, 1978

MEMORANDUM TO: THE PRESIDENT AND MRS. CARTER  
FROM: GRETCHEN POSTON *GP*  
SUBJECT: LUNCHEON HOSTED BY THE PRESIDENT FOR NATO  
HEADS OF GOVERNMENT - MAY 30, 1978

1:00 p.m.

Heads of Government arrive Southwest Gate in order of Protocol precedence.

THE PRESIDENT greets each Head of Government at Diplomatic Reception Room

PHOTO OPPORTUNITY

(Note: Press pen on South Lawn facing Diplomatic Reception Room)

Guests are escorted through Residence to State Floor, Red Room for apertif - iced tea, wine or juice

1:10 p.m.

Luncheon commences in Blue Room

2:00 p.m.

Luncheon concludes and all guests and the PRESIDENT depart for State Department meetings.

30 May 1978  
Luncheon - NATO  
12:30 P.M.  
16 guests

M E N U

Jellied Beef Consomme

Cheese Straws

Broiled Red Snapper

Fresh Green Beans

Carrots in Butter

Strawberry Short Cake

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

May 26, 1978

MEMORANDUM TO: THE PRESIDENT AND MRS. CARTER  
FROM: GRETCHEN POSTON *GP*  
SUBJECT: SCENARIOS FOR NATO STATE DINNER - May 30, 1978  
A. Outdoor Plan B. Rain Plan

PLAN A  
7:30 p.m.

In order of protocol precedence, the heads of government arrive North Portico.

THE PRESIDENT and MRS. CARTER will individually meet each head of government.

PHOTO OPPORTUNITY for each arrival at North Portico.

After official greeting, Social Aide escorts Head of Government to Blue Room.

(All other guests are arriving SW Gate and escorted to East Room for apertif.)

String Quartet playing in Cross Hall.

PRESIDENT and MRS. CARTER join other Heads of Government in Blue Room where a group photograph will be taken. Guests will then assemble in East Room in order of protocol for receiving line.

7:50 p.m.

Heads of Government announced into East Room

7:55 p. m.

PRESIDENT and MRS. CARTER announced into East Room

Receiving line commences.

As each guest leaves receiving line, they are led into the Green Room and then to the Blue Room where they exit down the outdoor stairs.

(NOTE: As each Head of Government passes through receiving line, they pose for an official portrait with the President and Mrs. Carter. All other guests will not have a photograph taken.)

Guests are directed to the Rose Garden for seating.

As guests proceed down carpeted drive, PRESS is situated on west side of garden on drive to take photographs of guests.

8:15 p.m.

Dinner commences.

9:15 p.m.

Toasts are exchanged between the PRESIDENT and the Honorary President of NATO - Prime Minister Ecevit.

Coffee service and the Strolling Strings

9:35 p.m.

Dinner is completed and guests move from the Rose Garden to the South Grounds.

Champagne is served during 15 minute interlude on South Grounds.

9:50 p.m.

Guests are escorted to seating around outdoor stage for entertainment.

All Heads of Government are escorted to their seats by their attached Social Aide. They are to be seated in order of protocol.

All other guests are seated at random.

10:00 p.m.

Performance by the New York City Ballet begins.  
Introductory remarks by the PRESIDENT.

10:30 p.m.

Ballet program concludes. PRESIDENT and MRS. CARTER go to stage to thank performers.

If Mr. Balanchine is able to attend performance, he is called to stage also and thanked.

10:35 p.m.

Social Aides escort Heads of Government to Blue Room via outdoor staircase for champagne as they await protocol departure from North Portico.

10:35 p.m.

All other guests are served champagne as they await motorcades at EAST GATE. (Champagne service in Diplomatic Reception Room while awaiting carriage call from East)

11:10 p.m.

All guests depart via East Gate.

PLAN B - RAIN PLAN

7:30 p.m.

In order of Protocol precedence, the Heads of Government arrive North Portico.

THE PRESIDENT and MRS. CARTER will individually meet each Head of Government.

PHOTO OPPORTUNITY for each arrival at North Portico.

After official greeting, Social Aide escorts Head of Government to Blue Room. (Social Aide attached for evening)

(All other guests are arriving SW Gate and escorted to East Room for apertif.)

String Quartet playing in Cross Hall.

PRESIDENT and MRS. CARTER join other Heads of Government in Blue Room where a group photograph will be taken. Guests will then assemble in East Room in order of protocol for receiving line.

7:50 p.m.

Heads of Government announced into East Room.

7:55 p.m.

PRESIDENT and MRS. CARTER announced into East Room.

Receiving line commences.

Official photograph taken during receiving line with each Head of Government. No photographs taken of other guests as they proceed through receiving line.

Guests proceed to State Dining Room for dinner.

9:00 p.m.

Toasts by the PRESIDENT and Honorary President of NATO - Prime Minister Ecevit.

Coffee Service commences - Strolling Strings

9:25 p.m.

Dinner concludes and guests move to Cross Hall and Blue Room for coffee and champagne - 15 minute interlude.

9:40 p.m.

Heads of Government are escorted to seats in Protocol order. All others seated at random.

9:50 p.m.

PRESIDENT makes introductory remarks for entertainment.

9:52 p.m.

Performance by the New York City Ballet commences.

10:30 p.m.

Performance concludes. If Mr. Balanchine is able to attend, he should be brought to stage and thanked.

10:35 p.m.

Heads of Government are escorted by Social Aides to Blue Room for champagne while they await motorcade in order of protocol precedence. All other guests depart via Diplomatic Reception for motorcade.

THE WHITE HOUSE

WASHINGTON

May 26, 1978

MEMORANDUM TO: THE PRESIDENT AND MRS. CARTER

FROM: GRETCHEN POSTON

SUBJECT: BACKGROUND ON THE NEW YORK CITY BALLET FOR  
THE NATO DINNER - May 30, 1978

The New York City Ballet program includes three dances following the dinner:

1. Tschaikovsky's "Pas de Deux" - Balanchine
2. Debussy's "Afternoon of a Faun" - Jerome Robbins
3. Glinka's "Valse Fantasie" - Balanchine

The New York City Ballet received recent publicity as a result of Mikhail Baryshnikov's decision to join the company to dance under the direction of Balanchine. Baryshnikov, in his book, "Baryshnikov at Work" is quoted as saying, "dancing (Balanchine's) 'Theme and Variations' was the realization for me of a dream...I had seen several Balanchine works, and I knew and know that I wanted to dance as many of them as possible....I have much more Balanchine to dance before it is all over."

George Balanchine, now 74, is regarded as one of the foremost contemporary choreographers in the world of ballet. He came to the United States in 1933 following an early career as dancer, ballet master and choreographer that took him from his native Russia throughout Europe.

Born Georgi Balanchivadze in 1904 in St. Petersburg, he started dancing at 9 with the school of the Maryinsky theatre, now the Kirov Ballet. "We Georgians, " he says, "are born dancers." Balanchine, with Lincoln Kirstein, established the New York City Ballet in 1948. Fourteen years earlier, Kirstein and Balanchine established the School of American Ballet. It still exists and is the primary training ground for the NYC Ballet.

In 1970, USN & WP wrote that Balanchine was 'the greatest choreographer of our time, and is responsible for the successful fusion of modern concepts with older ideas of classical ballet.

As the New York City Ballet enters its 28th year, the energy and achievements of George Balanchine continue unabated.

In 1975, Balanchine was inducted into the Entertainment Hall of Fame in Hollywood as the first choreographer so honored. Also in 1975, the National Institute of Arts and Letters presented him with a rarely given award for Distinguished Service to the Arts, an honor of special significance from the 250 leading American artists who comprise the Institute.

The five principal dancers with the Company at the White House are:

Jacques d'Amboise - Permanent member of the New York City Ballet since age 15, and a principal dancer since 1953. He has performed originating roles in many Balanchine ballets and danced in Broadway musicals and films. Mr. d'Amboise has directed several musicals and is a frequent guest artist with the Metropolitan Opera. As a choreographer, Mr. D'Amboise's works appear each season with the ballet.

Allegra Kent - Principal dancer since 1957 with the NYC Ballet, Miss Kent began her study of ballet at age 9. She has created many principal roles, has danced as guest ballerina in Europe, and appears in the film version of Balanchine's "A Midsummer Night's Dream"

Adam Luders - Principal dancer since 1975, Mr. Luders was born in Copenhagen and entered the Royal Danish Ballet at age 12. At 23 he joined London's Festival Ballet as a principal dancer. Roles he danced there included "Swan Lake", "Nutcracker", "Cinderella", "Sleeping Beauty" and "Les Sylphides."

Merrill Ahsley - Miss Ashley began studying ballet at the age of 7. At 13, she entered the School of American Ballet and joined the New York City Ballet in 1967. She danced many leading roles in the New York City Ballet repertoire, including "Tschaikovsky Suite No. 3", "A Midsummer Night's Dream" and "Stars and Stripes." In her first season as principal dancer, she was featured in the leading role in Balanchine's new ballet "Ballo Della Regina."

Robert Weiss - Joined the New York City Ballet in 1966. Creator of one of the leading male roles in Balanchine's "Symphony in Three Movements" for the Stravinsky Festival, Weiss was also featured in one of the solo variations in the first section of Robbins' "The Goldberg Variations". He has choreographed two pas de deux for American Ballet Theater.

NATO State Dinner  
30 May 1978  
140 guests  
Rose Garden

M E N U

Seafood Platter, Remoulade  
Cheese Straws

Roast Filet of Beef

Sauted Tiny Mushrooms

Artichoke Hearts  
stuffed with Spinach

Endive and Watercress Salad

Brie Cheese

Baked Alaska Flambe

Robert Mondavi Chenin Blanc 1976  
Louis Martini Cabernet Sauvignon 1974  
B. V. Brut Champagne 1971



2803

THE WHITE HOUSE  
WASHINGTON

May 30, 1978

Charlie Schultze

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

US MERCHANDISE TRADE DEFICIT

	FOR STAFFING
	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION -

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

ACTION  
FYI

	VICE PRESIDENT
	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
<input checked="" type="checkbox"/>	SCHULTZE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	RAFSHOON
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

*Charles*  
*looks bad*  
*J.*

EYES ONLY

May 25, 1978

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze *CLS*  
Subject: U.S. Merchandise Trade Deficit in April  
(to be released 10:30 a.m., Friday)

In April, the merchandise trade deficit rose slightly above the March level -- from \$2.79 billion to \$2.86 billion. The basic data are:

	<u>Exports</u>	<u>Imports</u>	<u>Trade Balance</u>
January	10.0	12.4	-2.4
February	9.9	14.4	-4.5
March	10.9	13.7	-2.8
April	11.6	14.5	-2.9

Exports rose strongly: food, other than raw materials, transport equipment and machinery, accounted for most of the rise.

Unfortunately, imports also rose sharply. Petroleum and related product imports increased by almost \$500 million, accounting for 60 percent of the import gain.

The trade deficit continues to run at a disturbingly high level. Even if we leave out the huge February deficit of \$4.5 billion, as an aberration, the early months of 1978 showed a trade deficit, at annual rates, of \$37 to \$38 billion (adjusted to the usual balance of payments definitions). This compares to \$31.5 billion for the year 1977.

While a major part of our deficit problem stems from oil imports, the following table shows that non-oil imports have been rising at a very rapid pace. The rapid growth of non-fuel imports in recent months is partly attributable to higher prices resulting from the depreciation of the dollar during the winter, but even taking account of price increases the growth has been large.

(billions of dollars; annual rates)

	<u>1977</u>	<u>1978 (Jan.-April)</u>
<u>Total imports</u>	<u>147.7</u>	<u>165.1</u>
Petroleum & related	44.5	40.5
Other	103.2	124.6
<u>Total exports</u>	<u>121.1</u>	<u>127.4</u>

THE WHITE HOUSE

, WASHINGTON

May 30, 1978

MEMORANDUM TO: THE PRESIDENT AND MRS. CARTER  
FROM: GRETCHEN POSTON  
SUBJECT: REMARKS FOR TOAST AND ENTERTAINMENT

Attached are your background talking points for your toast during the NATO dinner.

In them there is a reference to George Balanchine. You do not need to mention him as much again when introducing the entertainment -- only the tie-in with the New York City Ballet.

I have attached remarks for the entertainment in view of your using the Fallows' remarks re: Balanchine.

Also attached is the seating chart.

TOAST - <sup>NATO</sup> Banquet - 5/30/78

Welcome - pride for US

Memorial Day

Price - ideals - values - allies

30 yrs - Democracy flourish

Alliance Guarantor of Security  
for US - necessity - moral oblig.

Lesson of 2 wars

Your people here ~~gallant~~ <sup>gallant</sup> ~~chime~~

Democracy - liberty - rule of law

~~Strength to Peace~~

Guardian of Safety

Servant of freedom

Instrument of peace

THE SPECIAL REPRESENTATIVE FOR  
TRADE NEGOTIATIONS  
WASHINGTON

C

May 30, 1978

MEMORANDUM TO THE PRESIDENT

FROM: Ambassador Robert S. Strauss

R.S.

RE: Inflation Report

Schultze, Bosworth and I have made progress on some possible relief on the beef prices. Nothing concrete and very "iffy" but worth working on. The industry has a very good lobbyist representing them here in town who is trying to be constructive.

If you saw Speer of U.S. Steel's statement about potential price increases in that industry this year, you will be pleased to know that Bethlehem and National have both tentatively agreed with me that they will not follow his suggestion and will work with us to try to conform to our deceleration goals on both pricing and salaries.

We are working with Pete Peterson of Lehman Brothers and I think the efforts will produce a rather broad industry acceptance of the program. This will be supported by a small group from the Round Table headed by Shapiro and Murphy who I will see just before you meet with them on June 15.

A specific anti-inflation progress report for the rest of the year will be on your desk by the weekend.

THE SPECIAL REPRESENTATIVE FOR  
TRADE NEGOTIATIONS  
WASHINGTON  
20506

C

May 30, 1978

MEMORANDUM FOR THE PRESIDENT

From: Ambassador Robert S. Strauss

Subj: Further Cut in FY 79 Budget (Blumenthal Memorandum)

I agree with Mike's above-captioned memorandum.

I recall from my earlier conversation with you that you were negative about a 1% cut in light of the House resolution that failed and the contemplated revision in our tax cut. Fully recognizing that there is awkwardness in our position with Muskie and Giaimo, I believe that Mike, Charlie and I could convince them that this is an emergency, one-time only, anti-inflation step that must be taken, and make them a part of it.

Every group I talk with -- from New York to California to Texas -- is supportive of our goals, but none find sufficient credibility in our present program. They assert that you, Mr. President, and your Administration, are not taking stern enough action with respect to government spending. (I recognize the difficulties but the answers don't sell). They see little real "government sacrifice" in reducing the tax cut and the resulting budget cut.

This three to five billion dollar cut would be the centerpiece of an overall, more specific anti-inflation program that we are now developing. The call for such a cut would demonstrate your sincerity in eliminating government waste, your determination in coping with inflation, and your credibility in following through on what you say. It would be a very positive step both substantively and politically.

Mike wisely points out that it is an "invaluable talking point" for Strauss, Bosworth, etc.

I would like to be heard on this personally as I feel so strongly that it is essential.





*I agree with  
thrust, commensurate  
OMB, CEA & CL  
Cautions -*

*JC*

MEMORANDUM FOR THE PRESIDENT

Subject: Possible Further Cut in FY '79 Budget

After meetings with Bob Strauss, Charlie, Stu and others on how to put continuing emphasis into the anti-inflation program, I would like to recommend a particular fiscal step which you could take between the First and Second Congressional Budget Resolutions for FY '79.

I believe that we have a reasonable chance to secure the agreement of Muskie and Giaimo, and other Congressional leaders, for further spending restraint in FY '79, to be reflected in a relatively modest cut in outlays in the Second Resolution in September. This cut should probably apply more or less across the board. For example, you could publicly ask Jim McIntyre to apportion a spending cut of \$3-5 billion amongst the various agencies, to be effected by operating savings, not filling vacancies, or other reductions in discretionary programs. I think that in the present political climate a majority of the Members of Congress would cooperate with this initiative. Certainly the American public would applaud you for this further effort to reduce the deficit and to counter inflation.

This is the kind of move that every businessman and family would understand. It would put the Democratic Party in a clearly anti-inflationary posture for the fall elections. At the same time, it would set the stage for the several controversial vetoes you will undoubtedly have to execute. It would dramatize your long run commitment to a very tight fiscal policy, and would in particular serve as a useful prelude to the FY 1980 budget battle. Finally, it would give Bob Strauss an invaluable talking point in his drive to get business and labor to make analogous sacrifices.

Recommendation

That you instruct the Director of OMB, Jim McIntyre, to prepare a program, in consultation with legislative leaders, for a \$3-5 billion reduction in FY '79 spending levels.

*Mike*

W. Michael Blumenthal

*Ralph Jordan*  
5696

2680

THE WHITE HOUSE  
WASHINGTON

May 30, 1978

Secretary Blumenthal

The attached was returned in the President's  
outbox today and is forwarded to you for  
appropriate handling.

Rick Hutcheson

cc: The Vice President  
Stu Eizenstat  
Hamilton Jordan  
Frank Moore  
Jody Powell  
Jack Watson  
Anne Wexler  
Jim McIntyre  
Charlie Schultze  
Bob Strauss

ADMINISTRATIVELY CONFIDENTIAL

POSSIBLE FURTHER CUT IN FY '79  
BUDGET



THE SECRETARY OF THE TREASURY  
WASHINGTON 20220

ACTION

*I agree with  
thrust, Commensurate  
OMB, CEA & CL  
Cautions -*

MEMORANDUM FOR THE PRESIDENT

*FC*

Subject: Possible Further Cut in FY '79 Budget

After meetings with Bob Strauss, Charlie, Stu and others on how to put continuing emphasis into the anti-inflation program, I would like to recommend a particular fiscal step which you could take between the First and Second Congressional Budget Resolutions for FY '79.

I believe that we have a reasonable chance to secure the agreement of Muskie and Giaimo, and other Congressional leaders, for further spending restraint in FY '79, to be reflected in a relatively modest cut in outlays in the Second Resolution in September. This cut should probably apply more or less across the board. For example, you could publicly ask Jim McIntyre to apportion a spending cut of \$3-5 billion amongst the various agencies, to be effected by operating savings, not filling vacancies, or other reductions in discretionary programs. I think that in the present political climate a majority of the Members of Congress would cooperate with this initiative. Certainly the American public would applaud you for this further effort to reduce the deficit and to counter inflation.

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Recommendation

That you instruct the Director of OMB, Jim McIntyre, to prepare a program, in consultation with legislative leaders, for a \$3-5 billion reduction in FY '79 spending levels.

*Mike*

W. Michael Blumenthal

MCINTYRE  
COMMENT



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

May 24, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Jim McIntyre *Jim*  
SUBJECT: Blumenthal Suggestion for Further Cut in  
1979 Budget

I concur with Mike Blumenthal that it would be a good idea to reduce 1979 spending \$3 to \$5 billion. It would help both in the anti-inflation campaign and in setting a lower base for the 1980 budget. But the fact that this is a good idea does not mean that it can be accomplished. And a highly visible attempt which fails would make more difficult our economic and budgetary aims.

In particular, I would strongly urge that we not, at this time, visibly suggest or hint at an attempt to change the second budget resolution in September. As you know, the first resolution was just approved last week after much work and anxiety (especially in the House where final passage was by only a 3-vote margin). I do not believe the Budget Committee Chairmen would be receptive to tinkering with the recently approved resolution at this time.

While some reductions in current appropriations bills can be accomplished by vetoes or the threat of them, most reductions of the type the Secretary suggests would have to be accomplished by one of the following approaches:

1. Development and enactment of budget changes as the Congress works on spending bills.
2. Transmittal and enactment of rescission proposals after spending bills are passed.
3. Agreement with Congress that a lower second resolution would be passed, together with a "reconciliation bill" directing Congressional changes in previously passed spending bills.

The proper focus for our Congressional efforts now should be the consideration of authorization and appropriations bills. Quite frankly, Administration officials are not actively opposing Congressional adds. Major discretionary increases are rampant in both authorization bills (such as the highway-transit bill, SBA amendments, Defense authorization, Postal legislation, and delays in enacting hospital cost containment reform legislation) and appropriations bills (such as Defense, Labor-HEW, Public Works, and several others).

I would recommend the following strategy:

1. That you make enacting your Budget as one of your top 10 legislative priorities. This would include meeting with the chairmen and key subcommittee chairmen of key spending committees, including an immediate meeting with the House Appropriations Committee. (The latter meeting could be combined with my prior suggestion to to meet with the Committee on congressional infringements on your ability to control personnel ceilings.)
2. That you instruct the Cabinet to oppose actively Congressionally inspired increases to the Budget. Our soundings indicate that nearly all the Hill pressures on key committee chairmen are to raise your Budget. This Thursday's Cabinet briefing on the Budget should provide an important opportunity for you to urge the Cabinet to work the Hill against looming budget increases in their areas. (Increases to 1979 BA are often spent in 1980, and thus exacerbate the tight budget situation next year.)
3. That you plan to issue a public statement in the next two weeks reinforcing your concern with holding spending to your requested levels. This could be a sequel to your anti-inflation message, and would set the stage for a series of vetoes later in the session, if they are required to sustain your Budget. The message could also subtly begin to shift the burden of government spending increases to the Congress, which may be helpful in looking towards the 1980 election. In this message, you could request the support of the Budget Committee Chairmen during floor consideration of inflationary spending bills.
4. Beginning in July, if spending has not been contained through the above and other efforts, it may be then appropriate to consider working with the Budget Committee Chairmen to devise a reconciliation bill in connection with the second budget resolution. This bill would direct Congressional changes in previously passed spending bills and could include either an across-the-board spending

reduction\* or else more specific recommendations for outlay decreases. You would also have the option at this time of preparing to send a number of rescission proposals to the Congress, if some of the enacted bills contain certain specific unacceptable increases.

In summary, while I agree with the intent of Secretary Blumenthal's memo, I believe that immediate action would not be productive and would fail to recognize the legal framework within which we must work to achieve such budget reductions. Thus I propose the above alternative for your consideration.

\* Note: Achievement of a \$3 - \$5 billion outlay cut would require a \$4 - \$7 billion cut in appropriations. This means a 2 to 3 percent cut in controllable appropriations. Since Defense has over half of controllable spending, a large component of any across-the-board proportional cut would come from Defense, which I don't think we can stand.

ADDITIONAL  
STAFF COMMENTS



Congressional Liaison urges that the congressional leadership and the chairmen of the budget committees be consulted before any announcement. Any further cuts in the FY 79 Budget should not occur in "people programs," but rather should result from dollar savings due to bureaucratic efficiency.

Jack Watson had no comment.

Bob Strauss considers Blumenthal's suggestion "an excellent one." However, Strauss thinks the proposal should be considered as part of an overall strategy for fighting inflation, rather than on its own. Discussions among Strauss, Eizenstat, Bosworth, Schultze and Landon Butler, on this and other options, are continuing.

## SUMMARY OF STAFF COMMENTS

Eizenstat strongly recommends against any further public amendment of your Budget now:

- To do as Blumenthal proposes now would be a "stab in the back" to the House and Senate budget committees.
- Given the recent change in the tax cut (which had the support of key Members of Congress, was justified by recent economic data, and occurred within the context of the congressional budget resolution), another change now would make us appear inconsistent from day to day.
- The outlay reductions of \$3-5 billion proposed by Blumenthal would require budget authority (appropriations) reductions of a much greater amount. With strong congressional pressure to increase spending in an election year, this strategy is simply unrealistic.
- Our best approach is to stand by and fight hard for the figures in your Budget. "This will surely require several painful vetoes this year."

Schultze basically agrees with Blumenthal, but urges careful attention to timing and process. "It will very likely be necessary and desirable, on economic grounds, to reduce FY 79 Federal expenditures perhaps \$3-4 billion below the amounts now budgeted... if this is done in the right way."

- Given that Congress has just passed the 1st Concurrent Resolution for FY 79, to announce a new reduction at this point would "probably turn both Muskie and Giaimo against us."
- We do not yet have specific congressional appropriations to cut. Announcing an expenditure cut below the budget resolution at this time might induce appropriations committees to increase appropriations as "cut insurance," in addition to thoroughly confusing the whole process.
- Under the Budget Reform Act, cuts below appropriations require you to submit specific rescission requests to Congress. The best way to avoid this "tortuous procedure," Schultze advises, would be to work with Muskie and Giaimo to get a reduction included in the 2nd Budget Resolution (scheduled for September). It might be possible for the Resolution itself to provide for an across the board cut of a specified magnitude, thus avoiding the necessity of specific appropriations actions.
- Schultze defers to McIntyre as to how obligations for controllable programs can be curbed at this stage of the budget process. Ideally, budget cuts ought to be taken selectively on a priority basis, but it would be politically impossible to do this for the FY 79 budget. Thus, some form of across-the-board cut for controllable programs would be required.

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Jack Watson had no comment.

Bob Strauss considers Blumenthal's suggestion "an excellent one." However, Strauss thinks the proposal should be considered as part of an overall strategy for fighting inflation, rather than on its own. Discussions among Strauss, Eizenstat, Bosworth, Schultze, and Landon Butler, on this and other options, are continuing.

WASHINGTON

DATE: 20 MAY 78

FOR ACTION: STU EIZENSTAT

JACK WATSON

CHARLIE SCHULTZE

FRANK MOORE (LES FRANCIS)

JIM MCINTYRE

BOB STRAUSS

HAMILTON JORDAN

INFO ONLY: THE VICE PRESIDENT

ANNE WEXLER

SUBJECT: BLUMENTHAL MEMO RE POSSIBLE FURTHER CUT IN FY '79

BUDGET

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: 1200 PM TUESDAY 23 MAY 78 +

+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

May 24, 1978

MEMORANDUM TO RICK HUTCHESON

FROM: Lee Kling *LK*

RE: Secretary Blumenthal's Memorandum to the President  
Concerning a Further Cut in the FY '79 Budget

Bob Strauss is in Los Angeles today meeting with Minister Ushiba of Japan.

In his absence, I have reviewed Secretary Blumenthal's memorandum to the President concerning a possible further cut in the FY '79 budget.

The suggestion is an excellent one. As Secretary Blumenthal indicates, it has been the subject of discussions between Bob Strauss, Charlie, Stu, Barry Bosworth, Landon Butler, and myself.

There is a general feeling that we should present to the President an overall strategy for the next phase of his anti-inflation program. This cutback would be a key element but I think Bob Strauss and others feel it should be considered in an overall approach, not just on its own. Preferably, before presenting, this could be further discussed by the above parties next week.



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

May 24, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

Jim McIntyre

*Jim*

SUBJECT:

Blumenthal Suggestion for Further Cut in  
1979 Budget

I concur with Mike Blumenthal that it would be a good idea to reduce 1979 spending \$3 to \$5 billion. It would help both in the anti-inflation campaign and in setting a lower base for the 1980 budget. But the fact that this is a good idea does not mean that it can be accomplished. And a highly visible attempt which fails would make more difficult our economic and budgetary aims.

*Schultze* { In particular, I would strongly urge that we not, at this time, visibly suggest or hint at an attempt to change the second budget resolution in September. As you know, the first resolution was just approved last week after much work and anxiety (especially in the House where final passage was by only a 3-vote margin). I do not believe the Budget Committee Chairmen would be receptive to tinkering with the recently approved resolution at this time.

*turn media & g.ans against us SE: 'stab in the back'*

While some reductions in current appropriations bills can be accomplished by vetoes or the threat of them, most reductions of the type the Secretary suggests would have to be accomplished by one of the following approaches:

1. Development and enactment of budget changes as the Congress works on spending bills.
2. Transmittal and enactment of rescission proposals after spending bills are passed. *Schultze*
3. Agreement with Congress that a lower second resolution would be passed, together with a "reconciliation bill" directing Congressional changes in previously passed spending bills.



The proper focus for our Congressional efforts now should be the consideration of authorization and appropriations bills. Quite frankly, Administration officials are not actively opposing Congressional adds. Major discretionary increases are rampant in both authorization bills (such as the highway-transit bill, SBA amendments, Defense authorization, Postal legislation, and delays in enacting hospital cost containment reform legislation) and appropriations bills (such as Defense, Labor-HEW, Public Works, and several others).

I would recommend the following strategy:

1. That you make enacting your Budget as one of your top 10 legislative priorities. This would include meeting with the chairmen and key subcommittee chairmen of key spending committees, including an immediate meeting with the House Appropriations Committee. (The latter meeting could be combined with my prior suggestion to to meet with the Committee on congressional infringements on your ability to control personnel ceilings.)
2. That you instruct the Cabinet to oppose actively Congressionally inspired increases to the Budget. Our soundings indicate that nearly all the Hill pressures on key committee chairmen are to raise your Budget. This Thursday's Cabinet briefing on the Budget should provide an important opportunity for you to urge the Cabinet to work the Hill against looming budget increases in their areas. (Increases to 1979 BA are often spent in 1980, and thus exacerbate the tight budget situation next year.)
3. That you plan to issue a public statement in the next two weeks reinforcing your concern with holding spending to your requested levels. This could be a sequel to your anti-inflation message, and would set the stage for a series of vetoes later in the session, if they are required to sustain your Budget. The message could also subtly begin to shift the burden of government spending increases to the Congress, which may be helpful in looking towards the 1980 election. In this message, you could request the support of the Budget Committee Chairmen during floor consideration of inflationary spending bills.
4. Beginning in July, if spending has not been contained through the above and other efforts, it may be then appropriate to consider working with the Budget Committee Chairmen to devise a reconciliation bill in connection with the second budget resolution. This bill would direct Congressional changes in previously passed spending bills and could include either an across-the-board spending

reduction\* or else more specific recommendations for outlay decreases. You would also have the option at this time of preparing to send a number of rescission proposals to the Congress, if some of the enacted bills contain certain specific unacceptable increases.

In summary, while I agree with the intent of Secretary Blumenthal's memo, I believe that immediate action would not be productive and would fail to recognize the legal framework within which we must work to achieve such budget reductions. Thus I propose the above alternative for your consideration.

\* Note: Achievement of a \$3 - \$5 billion outlay cut would require a \$4 - \$7 billion cut in appropriations. This means a 2 to 3 percent cut in controllable appropriations. Since Defense has over half of controllable spending, a large component of any across-the-board proportional cut would come from Defense, which I don't think we can stand.

THE WHITE HOUSE  
WASHINGTON

CONGRESSIONAL LIAISON COMMENTS ON  
THE BLUMENTHAL MEMO REGARDING FURTHER  
CUTS IN FY '79 BUDGET:

Make sure it is clear that it is not coming at the expense of food for the poor, or jobs, or education, etc., but out of bureaucratic efficiency that results in dollar savings. (BC)

THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

May 22, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze *CLS*  
SUBJECT: Secretary Blumenthal's memo on reducing  
FY 1979 expenditures

1. I believe it will very likely be necessary and desirable, on economic grounds, to reduce FY 1979 Federal expenditures perhaps \$3 to \$4 billion below the amounts now budgeted. If this is done in the right way, it will also tend to lower the base for 1980, and make the job of meeting that year's budget target easier.
2. It is very important, however, to choose the right timing and procedure for such a move:
  - A. The Congress has just passed a 1st Concurrent Resolution for FY 1979. Announcing, in the very near future, an expenditure cut below the budget resolution numbers would undercut the budget process, and probably turn both Muskie and Giaimo against us.
  - B. We do not yet have the specific congressional appropriations below which to cut. Announcing a cut shortly may induce many appropriations committees to increase appropriations as "cut insurance." In other cases, such an announcement might thoroughly confuse the whole appropriations process.
  - C. Once appropriations are enacted, most cuts below those levels would -- under the Budget Reform Act -- require you to submit specific rescission requests to the Congress. Ideally, we would like to have the cuts somehow incorporated in the Congressional Budget process, so this tortuous procedure would not be necessary.
3. I believe that the best way to go about a 1979 expenditure reduction is to work with Muskie and Giaimo to get a reduction included in the 2nd Budget Resolution (scheduled

for mid-September). It might be possible for the Resolution itself to provide for an "across-the-board" cut of a specified magnitude, thus avoiding the necessity of either specific appropriation actions, committee-by-committee, or the submission of a series of budget recisions on our part.

4. Ideally, budget cuts ought to be taken selectively on a priority basis. In fact, to do that for the 1979 budget would be politically impossible, and set up a divisive struggle that would frustrate the whole exercise. Some form of an across-the-board cut in controllable programs would be required, perhaps with a small "reserve" for excepting special cases.
5. Probably we should work for a cut in "obligations." If you order a cut in expenditures, agencies can meet it by postponing the payment of checks for a week or so over the end of the fiscal year, accomplishing nothing economically and adding to expenditures in 1980. Obligations, however, represent contractual commitments by agencies that ultimately result in expenditures. If obligations are cut -- in conjunction with the Budget Committees -- the savings are impounded, and the level of spending is permanently affected.
6. There may be procedural and legal problems in curbing obligations for controllable programs at this stage of the budget process. I defer to Jim McIntyre's judgment on such questions.
7. Postponing action on a cut until we can get it incorporated in the 2nd Budget Resolution means that we cannot immediately use it to strengthen the credibility of our anti-inflation efforts. But the inflation problem is going to be around for a long time, and we shall be needing a whole succession of highly visible anti-inflation measures.
8. In sum, I basically agree with Secretary Blumenthal, but urge a very careful attention to timing and process.

THE WHITE HOUSE

WASHINGTON

May 22, 1978

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT *Sh*  
BERT CARP

SUBJECT: Secretary Blumenthal's Memo re  
Possible Further Cut in FY '79  
Budget

We believe that as the occasion presents itself, you might well want to encourage individual efforts to reduce the budget further. However, we would strongly recommend against any further public amendment of your Budget now, such as Secretary Blumenthal proposes.

- o To take such a step now, after completion of the 1st Concurrent Budget Resolution, would be a "stab in the back" to the House and Senate and their Budget Committees, who have reached their own totals based on our recommendation.
- o The change we recently announced with respect to the tax cut had the concurrence of key members of Congress, could be justified as based on more recent economic data than the January Budget, and occurred within the context of the Congressional Budget Resolution. Yet another change now would simply make us appear inconsistent from day to day.
- o The Secretary's memorandum suggests outlay reductions of \$3 to \$5 billion which would require budget authority (appropriations) reductions of a much greater amount. With strong Congressional pressure to increase spending for transportation, public works, veterans, etc. in an election year, this strategy is simply unrealistic. To announce

a major budget reduction and fail to attain it would increase inflationary expectations of business and labor and place added pressures on the Fed.

We strongly believe that our best approach is to stand by the figures in your budget and fight hard to hold them. This will surely require several painful vetoes this year.

THE WHITE HOUSE  
WASHINGTON

Blumenthal memo/additional  
comments from C.L.

Chairmen of respective  
Budget Committees, as  
well as Congressional  
leadership, should be  
consulted prior to any  
~~decision~~ or announcement.  
In any case, we should  
make sure that cuts  
do not occur in "people



THE WHITE HOUSE  
WASHINGTON

programs, such as health,  
education, etc.

THE WHITE HOUSE  
WASHINGTON

5/30/78

MEMO FOR AMBASSADOR STRAUSS

FROM: RICK HUTCHESON

SUBJECT: Attached Memo

Your comment on Blumenthal's memo, "Further Cut in FY 79 Budget," is-  
~~returned-without-being-submitted,~~  
as which we I circulated to you on May 20, is returned without being submitted, as it was received too late. I did receive Lee Kling's memo of May 24, and passed those comments along to the President.

The President returned Blumenthal's memo today with the comment, "I agree with the thrust, commensurate with OMB, CEA and Congressional Liaison cautions."

I'd suggest that you make the points in your May 30 memo as a part of any follow-up to the President's comment regarding Blumenthal's memo.

*Talked w/ Vata re this.  
No need to send.  
Bull*

THE WHITE HOUSE

WASHINGTON

May 30, 1978

Charlie Schultze

The attached was returned in the President's outbox today and is forwarded to you for your information. The signed original has been given to the Stripping office for handling.

Rick Hutcheson

LETTER TO JOHN DEBUTTS

THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

May 24, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze



I was asked today by Rick Hutcheson to draft a response from you to John DeButts, Chairman of AT&T, commending him and his company for their recent efforts to meet the objectives of your deceleration program.

Attached is a draft response that I have prepared for your approval and signature. Bob Strauss and Barry Bosworth tell me that, with some reservations, this action by AT&T is, in fact, a sincere effort to meet your objectives. I drafted this note with that in mind.

enclosure

THE WHITE HOUSE

WASHINGTON

May 30, 1978

To John DeButts

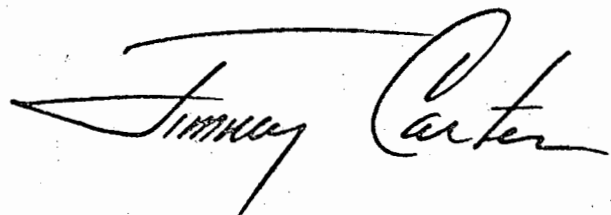
Thank you for your letter supporting our efforts to slow inflation.

Your willingness to freeze the general price level of Western Electric Company products is a helpful example to other corporations. Your efforts to hold down executive compensation increases will serve as an important precedent for the rest of the American Telephone and Telegraph Company.

I also appreciate the importance you attach to holding down the rate of increase on telephone service charges. This is the most important step your company can take against inflation.

I know your company has always taken seriously its great responsibilities to the American people, and I appreciate the cooperation I know I can expect from you in our anti-inflation program as in other matters.

Sincerely,

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the typed name.

Mr. John D. DeButts  
Chairman  
American Telephone and Telegraph Company  
195 Broadway  
New York, New York 10007

INCOMING LETTER

**AT&T**

**John D. deButts**  
Chairman of the Board

American Telephone and  
Telegraph Company  
195 Broadway  
New York, N.Y. 10007  
Phone (212) 393-1000

May 23, 1978

My dear Mr. President:

The Bell System has long recognized an obligation to take scrupulous account of what it does on the economy of the nation at large. Accordingly, we fully support the aim of the Administration's program to slow down inflation and pledge our best efforts to this end.

More particularly, Mr. President, the Bell System is prepared to make the following commitments in support of your anti-inflation program:

First, the Western Electric Company, our manufacturing and supply unit, will not increase the general price level of the apparatus and equipment it manufactures for the Bell telephone companies this year. By holding down its prices, Western Electric will be helping to hold down the cost of telephone service to the public.

Second, the Bell System will freeze the basic salary structure of its executive group for the remainder of the year and - in keeping with your request, will limit the average merit increase to members of this group to less than five per cent. Also we will not increase the level of standard awards payable to executives under the incentive compensation plan introduced last year.

Third, we shall intensify the "extraordinary and determined effort" to hold down price increases for telephone service to which we committed ourselves almost a year ago in the face of growing public anxieties about a resumption of acute inflation. Over the past 10 years telephone rates have risen less than half as fast as the consumer price index. Reflecting continuing advances in technology and improvements in operating methods, Bell System productivity has increased at twice the rate for the general economy for the same period. Our aim is to sustain this record and enhance it over the months and years ahead.

I shall be happy to respond to whatever interest the Administration may have in any aspect of the Bell System's cost reduction efforts. Certainly we look forward to continuing to work with Ambassador Strauss in forwarding your Administration's effort to assure this nation of a strong and stable economy.

Respectfully,

A handwritten signature in dark ink, appearing to be "LBJ", written over a horizontal line.

The President  
The White House  
Washington, D. C. 20500



WASHINGTON

DATE: 23 MAY 78

FOR ACTION: STU EIZENSTAT

Response will come  
from Schultz's 15<sup>th</sup>;  
Ginsburg is still out  
know.  
Reply expected 5/24 pm

✓ Salmon  
- Run & Aug

INFO ONLY: BOB STRAUSS

CHARLIE SCHULTZE

SUBJECT: LETTER FROM JOHN DEBUTTS RE ANTI-INFALTION EFFORTS AT  
BELL SYSTEM

+++++  
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052)  
+ BY: 1200 PM ~~THURSDAY~~ 25 MAY 78  
+++++

ACTION REQUESTED: STU-PLEASE DRAFT RESPONSE FOR PRESIDENT'S SIGNATURE

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

Debutts knows he's  
getting a response.

THE WHITE HOUSE  
WASHINGTON

May 30, 1978

Stu Eizenstat

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

cc: Bob Lipshutz  
Frank Moore  
Anne Wexler

*The Vice President*  
HANDGUN POLICY

THE WHITE HOUSE  
WASHINGTON

Mr. President:

Lipshutz and Wexler recommend Option 3.

Congressional Liaison recommends that you make no statements on this at all; if asked, you should respond with 1976 statement.

Watson and Kraft have no comment.

Rick (wds)

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION -

ACTION  
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
/	EIZENSTAT
	JORDAN
	KRAFT
/	LIPSHUTZ
/	MOORE
	POWELL
	WATSON
/	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE

	ADAMS
	ANDRUS
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	BERGLAND
	BLUMENTHAL
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	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	RAFSHOON
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

THE WHITE HOUSE

WASHINGTON

May 23, 1978

Q

MEMORANDUM FOR: THE PRESIDENT  
FROM: STU EIZENSTAT  
ANNIE GUTIERREZ  
SUBJECT: Handgun Policy

Sh

During the campaign you proposed three principles for controlling the abuse of firearms:

- Ban on cheap handguns or "Saturday Night Specials";
- Prohibiting criminals who use guns and the mentally incompetent from owning guns;
- Handgun registration, reasonable waiting periods, and appropriate licensing provisions, with some of these measures left to the States.

The Justice and Treasury Departments have drafted legislation which would comply with your campaign statements. There is no legislation pending before Congress at this time. Drinan, Mikva, and a handful of other Congressmen have been urging that the Administration send its bill up.

Originally, we held up the handgun legislation for possible announcement in the Crime Message. The decision was then made to substitute the Law Day speech for the Crime Message, and to follow that with more detailed speeches by the Attorney General to report on what the Justice Department is doing.

The Attorney General and I agree that the draft bill is good and we want to support such a measure, but that it is now too late to introduce such legislation this year for the following reasons:

- We would lose potential supporters if Congressmen have to campaign while legislation is pending. They will be forced by pro-gun people to take a position, and in many cases the pressure will result in their opposing such legislation. (In 1970, even Senator Hubert Humphrey changed his position and opposed gun legislation.) At the very least, much of the campaign time will be spent trying to distinguish handguns from "Saturday Night Specials", etc.
- The pro-gun lobby is strongest in the West; introduction at this time would increase the alienation of this area.
- We have already flooded Congress with enough tough, controversial issues in this Session.
- The Treasury Department has proposed new regulations to implement the 1968 Gun Control Act which would require the marking of firearms with unique serial numbers and the reporting of gun transfers by manufacturers, importers, wholesalers and dealers. The NRA has initiated a full attack on the regulations. A House Appropriation Subcommittee has voted to slash \$4.2 million from Treasury appropriations and to insert language in the appropriations bill which would prohibit use of Treasury funds for the implementation of these regulations. Congress is holding hearings on the regulations. While several anti-gun groups and the press support the regulations, they are controversial and serve to illustrate the problems we would face, should legislation be introduced now.

*Stick  
with this*

Our problem at the moment, is how we handle the question of handgun legislation pending its introduction next year. The press is constantly raising the question, and various pro-gun control groups want to plan a strategy which is consistent with the Administration's plans.

Attorney General Bell recommends that you go on record as being in favor of a bill and take steps to marshal support for such a measure in the meantime. He proposes that you appoint a highly visible commission of mayors, governors, police chiefs, and other prominent citizens, headed by a Cabinet officer to

surface the bill, obtain comments, and drum up grassroots support.

- This would have the advantage of letting the public know where you stand without putting Congressional candidates on record over specific legislation. There is considerable grassroots support for handgun control, as recent polls show, and this committee of prominent people could help identify and marshal such support for introduction of a bill as soon as the new session opens.
- If you want to consider this possibility, we will work with the Attorney General to develop the idea further and draft a more detailed proposal for your review.
- I personally would recommend against such a commission. It would only surface the issue and prolong the debate in the public forum. We can still drum up grassroots support, but do it in a less public way.

#### Options

- \_\_\_\_\_ Say now we will work with Congress to pass handgun legislation next year, pointing out that the new Treasury regulations are a step forward and consistent with your campaign statements.
- \_\_\_\_\_ Go on record as supporting legislation next year, and consider Attorney General Bell's proposal of adopting a public commission to propose legislation and marshal public support. (Attorney General recommends)
- ✓ \_\_\_\_\_ Make no public statements now beyond reiteration of campaign statements if asked; defer handgun legislation to next year's legislative calendar. (Stu recommends). (Lipshutz and Wexler also recommend).

WASHINGTON

DATE: 23 MAY 78

FOR ACTION: HAMILTON JORDAN

BOB LIPSHUTZ

*Option 3*FRANK MOORE (LES FRANCIS *Hand*)

JODY POWELL

JACK WATSON *nc*TIM KRAFT *nc*ANNE WEXLER *-concur w/ III*

INFO ONLY: THE VICE PRESIDENT

SUBJECT: EIZENSTAT MEMO RE HANDGUN POLICY

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: *12:00 Thursday 25 May 1978* +

+++++

ACTION REQUESTED:

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:



ID 782708

THE WHITE HOUSE

WASHINGTON

DATE: 23 MAY 78

FOR ACTION: HAMILTON JORDAN

BOB LIPSHUTZ

FRANK MOORE (LES FRANCIS)

JODY POWELL

JACK WATSON

TIM KRAFT

ANNE WEXLER

INFO ONLY: THE VICE PRESIDENT

SUBJECT: EIZENSTAT MEMO RE HANDGUN POLICY

+++++  
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +  
+ BY: 12:00 Noon Thursday 5/25 +  
+++++

ACTION REQUESTED:

STAFF RESPONSE: ( ) I CONCUR. ☒ NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

WASHINGTON

DATE: 23 MAY 78

FOR ACTION: HAMILTON JORDAN

BOB LIPSHUTZ

FRANK MOORE (LES FRANCIS)

JODY POWELL

MAY 23 PM 1 15

JACK WATSON

TIM KRAFT

ANNE WEXLER ~~HH~~

INFO ONLY: THE VICE PRESIDENT

SUBJECT: EIZENSTAT MEMO RE HANDGUN POLICY

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: 12:00 NOON 5/25/78 Thurs. +

+++++

ACTION REQUESTED:

STAFF RESPONSE: ( ) I CONCUR. (✓) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

DATE: 23 MAY 78

FOR ACTION: HAMILTON JORDAN

BOB LIPSHUTZ

FRANK MOORE (LES FRANCIS)

JODY POWELL

JACK WATSON

TIM KRAFT

ANNE WEXLER

INFO ONLY: THE VICE PRESIDENT

XG/HZ  
SL  
Fry  
Rome ✓

SUBJECT: EIZENSTAT MEMO RE HANDGUN POLICY

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: 12:00 Noon Thurs. Jb5/8

+++++

ACTION REQUESTED:

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

Stay Away -- Only if asked, respond with what was  
said in campaign. (BC)

THE WHITE HOUSE

WASHINGTON

May 25, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

ROBERT LIPSHUTZ  
MARGARET MCKENNA



SUBJECT:

Eizenstat Memo Re Handgun Policy

We recommend option 3, but would add that if you are asked, you should make it clear that you support handgun legislation and will deal with it in next year's legislative calendar.

WASHINGTON

DATE: 23 MAY 78

FOR ACTION: HAMILTON JORDAN

BOB LIPSHUTZ

FRANK MOORE (LES FRANCIS)

JODY POWELL

JACK WATSON

TIM KRAFT

ANNE WEXLER

INFO ONLY: THE VICE PRESIDENT

SUBJECT: EIZENSTAT MEMO RE HANDGUN POLICY

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: *Noon Thurs. 5/25/78* +

+++++

ACTION REQUESTED:

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

*to Doug**Red Vag**Comments to M M K*

2804

THE WHITE HOUSE  
WASHINGTON  
May 30, 1978

The Vice President  
Stu Eizenstat  
Hamilton Jordan  
Tim Kraft  
Frank Moore  
Bob Lipshutz  
Jody Powell  
Jack Watson  
Anne Wexler  
Jim McIntyre  
Hugh Carter  
Jerry Rafshoon

Re: Cabinet Summaries

The attached were returned in the President's  
outbox today and are forwarded to you for  
your personal information. No copies are  
to be made.

Rick Hutcheson

EYES ONLY

CONFIDENTIAL ATTACHMENT

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
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<input type="checkbox"/>	SCHNEIDERS
<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN
<input type="checkbox"/>	WISE

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	NO DEADLINE
	LAST DAY FOR ACTION -

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		PRESS
	/	RAFSHOON
		SCHNEIDERS
		VOORDE
		WARREN
	/	WISE



THE WHITE HOUSE  
WASHINGTON

May 30, 1978

Secretary Califano

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson



THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE  
WASHINGTON, D. C. 20201

Joe  
J

May 27, 1978

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report on HEW Activities

The following is my weekly report on significant activities in the Department of Health, Education, and Welfare:

- Cost Containment. We have had to postpone last Thursday's vote in the House Commerce Committee until next Thursday because we were not sure of victory. We are working closely with Frank Moore to swing the undecided our way. Even if we win in House Commerce, the closeness of the vote there does not bode well for Ways and Means. To win in Ways and Means, we may have to take our legislative efforts up a notch, and really make an Administration-wide push that deeply involves the White House and the EOP. do so
- Civil Service Reform. We have mounted a major outreach effort within the Department to provide objective information to our employees about civil service reform. Our regional officials have been making speeches to State and local officials, explaining the great value of the reform proposals to effective management of government. We are also meeting with HEW's constituent groups, consistent with legal requirements, to explain how the passage of civil service reform will affect their interests.
- Tuition Tax Credits. Next week, the House will vote on the tax credit bill reported out of Ways and Means. I have sent a letter to all members urging them to vote against the tax credit bill. Although we have no chance of stopping a tax credit for higher education in the House, there will be a very close vote on the issue of whether tax credits should be available for elementary and secondary school tuition.
- Bilingual Education. On May 11th, you asked for a report on our efforts to find a director for the Office of Bilingual Education. Commissioner Boyer and I plan to convert the directorship to a Schedule "C" (non-career) position, and are recruiting nationwide for candidates.

- 2 -

*I want  
language  
taught -  
not ethnic  
"culture" etc.  
J*

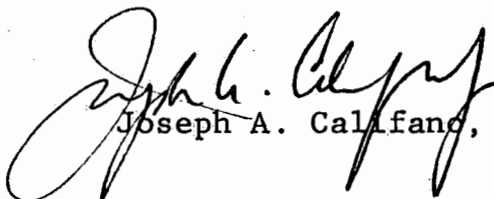
To date, Commissioner Boyer has consulted more than thirty national organizations which have a direct interest in bilingual education. The selection committee, which Dr. Boyer will chair personally, will include at least two Hispanic appointees of the Administration. I will personally interview the top candidates.

Within the next two to three weeks, we should be able to make final arrangements, consistent with procedures applicable to career employees, for the current Director to assume a new position. We should also obtain Civil Service Commission approval to convert the Directorship to Schedule "C" status. After that, we expect screening and selection to take forty-five to sixty days. Thus I believe it is realistic to expect to name a new Director by August.

I am attaching a response to the additional request in your note of May 11th for a report on the status of Hispanics in the Department.

- Project Match. For the past four and a half months, our efforts to extend Project Match have been delayed as OMB has looked at the privacy implications of the initiative that uses computer techniques to match payrolls against welfare rolls in an attempt to identify those who may be improperly receiving government benefits. We would like to extend this technique and match the military payroll against the list of student loan defaulters and the federal civilian payroll against the list of SSI beneficiaries. But, although you personally gave OMB an extension until April 15 to resolve the issue, it is still unresolved and we are still not able to extend Project Match into important -- and potentially productive -- areas.

*Tell Jim  
I favor it  
& to  
expedite*

  
Joseph A. Califano, Jr.

Attachment

THE WHITE HOUSE  
WASHINGTON

May 30, 1978

Bob Strauss

The attached was returned in  
the President's outbox. It is  
forwarded to you for your  
information.

Rick Hutcheson

THE SPECIAL REPRESENTATIVE FOR  
TRADE NEGOTIATIONS  
WASHINGTON  
20506

*Bob. At times  
we need you  
more in Wash  
J*

May 26, 1978

MEMORANDUM FOR THE PRESIDENT

From: Ambassador Robert S. Strauss *RS*

Subject: Weekly Summary

I spent the latter part of the week in the West. I met with about 40 industrialists and spent half a day with the Times-Mirror people on the editorial, as well as the business, side. I am cautiously optimistic that this newspaper will take a forceful lead in support of the program both editorially and in its business section.

Meanwhile, Lee Kling and I have been meeting with various agency and department heads as well as trying to develop an overall program for execution the rest of the year. We will review it with Jordan, Powell, Stu, Rafshoon, etc., next week and probably use Landon to coordinate our efforts for the White House.

Wherever I go, budget reducing efforts and more efficient and sensible administration of programs -- particularly regulatory agencies -- continue to be the two issues that get the most positive response. Our efforts still lack credibility in the eyes of the people but even hearing the words, though dubious about results, gets that positive reaction.

Kling and I have an idea and Rafshoon, I believe, agrees that once we start moving, we can go to the corporate community and get millions of dollars worth of "public service" advertising from America's leading advertisers, supporting the voluntary anti-inflation effort.

I spent an additional day with Ushiba while on the West Coast and we continue to hammer away at market access. The agricultural area, particularly citrus, continues to give them the most difficulty.

THE WHITE HOUSE  
WASHINGTON

May 30, 1978

Secretary Marshall

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION -

ACTION  
FYI

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	SECRET
	EYES ONLY

	VICE PRESIDENT
	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE

	ADAMS
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	CALIFANO
	HARRIS
	KREPS
/	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
/	ClOUGH - <i>pls add note to list of press requests</i>
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	RAFSHOON
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

U. S. DEPARTMENT OF LABOR  
OFFICE OF THE SECRETARY  
WASHINGTON

Ray - Jack  
also answer 5/29 column  
Anderson  
C

May 26, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, Ray Marshall *Ray*

SUBJECT: Major Departmental Activities, May 20-26

Actions to Support Civil Service Reform. I continued to stress the importance of civil service reform in my speeches this week. I have also sent letters to the members of our Congressional authorizing committees urging their support.

*Talk to  
them*

Supreme Court Decision Requires OSHA to Secure Warrants if Requested. On Tuesday, May 23, the Supreme Court published its decision in the Barlow's case, holding unconstitutional warrantless inspections conducted under section 8 of the 1970 Occupational Safety and Health Act. In response, and in line with the decision, OSHA has announced that it will continue to initiate inspections without a warrant, but will depart promptly to obtain one if the employer refuses entry or continuation of the inspection. To obtain warrants, under guidelines in the decision, OSHA need show only that the establishment was selected based on an administrative plan "derived from neutral sources."

Press Reports Distort Proposed Increase in Minimum Wage Executive Exemption Level. Recent press reports have misrepresented the potential effect of a proposed increase in the minimum wage executive exemption level. This is the salary below which employers must pay overtime. Our proposed increase for most workers from \$155 to \$225 per week would be roughly in line with the increase in the minimum wage and the rate of inflation since the last increase. The proposal does not mandate a wage increase for anyone. Rather, employers would

*Take care  
re  
instigating  
inflationary  
action*



have to choose whether they wish to qualify for an exemption. It would be inconceivable that an employer would choose to undertake an increase from \$155 to \$225 solely to receive the exemption. I will make a final decision after reviewing public comments on our proposals.



DEPARTMENT OF AGRICULTURE  
OFFICE OF THE SECRETARY  
WASHINGTON, D. C. 20250

C

May 26, 1978

MEMORANDUM TO THE PRESIDENT

Through Rick Hutcheson  
Staff Secretary


SUBJECT: Weekly Report

TRAVEL. The Secretary returns tonight from a three-week trip to the Soviet Union, Poland, Hungary, Romania and England.

AGRICULTURAL TRADE FORECAST. USDA forecasts FY 1978 agricultural exports to top 1977's record \$24 billion by \$1-2 billion. Agricultural imports may total \$13.5 billion, leaving a trade surplus of approximately \$12 billion (up from \$10.6 billion in FY 1977).

1977/78 U.S. SOYBEAN CRUSH AND EXPORTS. 1977/78 U.S. soybean crush and exports should each be about \$15 million bushels above earlier estimates, reducing September 1 carryover stocks to approximately 170 million bushels. Estimated soybean crush on an October-September marketing year has been boosted 20 million bushels to 945 million. With recent strengthening in demand for U.S. soybean products, estimated season average price has been increased to around \$6 per bushel.

U.S. COTTON SALES. U.S. cotton export sales for delivery this season now total 6 and 1/2 million bales, with actual 1977/78 shipments estimated by USDA at 5 and 1/2 million.

  
CAROL TUCKER FOREMAN  
Acting Secretary



THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, D. C. 20410  
May 26, 1978

C  
/

MEMORANDUM FOR: The President  
Attention: Rick Hutcheson, Staff Secretary

SUBJECT: Weekly Report of Major Departmental Activities

HUD Study Prompts Justice Investigation of Housing Discrimination. A nationwide study of fair housing practices conducted by the Department revealed that, in spite of substantial gains over the past 10 years, housing discrimination still exists in all sections of the Nation. Using data generated by the study, the Justice Department has started investigations of 75 suspected discriminators.

Increase in FHA Mortgage Rate. The maximum interest rate on single family home mortgages insured by FHA was raised to 9 percent from 8-3/4 percent effective May 23. The increase is necessary to bring FHA rates in line with other competitive rates and is expected to increase the availability of FHA financing for moderate income homebuyers and sellers.

Neighborhood Assistance Bills Sent to Congress. Following a meeting with representatives of neighborhood groups, during which the First Lady, Livingston Biddle of the National Endowment for the Arts, Sam Brown of ACTION, HUD Assistant Secretary Baroni and I spoke, two bills providing for neighborhood assistance were sent to Congress. The first, the Neighborhood Self-Help Act, would provide \$15 million for 1978 and \$15 million for 1979 for 100 grants to neighborhood-based development corporations in low and moderate income areas to help revitalize neighborhoods. The second, the Livable Cities Plan, would provide \$20 million in 1978 and \$20 million in 1979 as matching grants to governments, neighborhood and non-profit groups for revitalizing neighborhoods. Both are part of the Urban Policy initiatives.

2  
Innovative Housing Counseling Grant Awarded to PUSH. A \$75,000 comprehensive housing counseling grant was awarded to Operation PUSH of Chicago, an organization headed by the Rev. Jesse Jackson. The grant is designed to assist low and moderate income residents in the Chicago inner city by providing direct counseling on rehabilitation, pre-purchase requirements, homeownership, credit, financing and mortgage default. The program is meant to encourage family and neighborhood stabilization and will be conducted by PUSH employees particularly sensitive to the needs of low income minority families.

Redlining Insurance Report Sent to Congress. A Department report entitled Insurance Crisis in Urban America has been sent to Congress. The report deals with insurance redlining practiced by insurance companies, identifies where insurance redlining occurs, and explains the results of this discriminatory practice.

Pat

Patricia Roberts Harris



United States  
Environmental Protection Agency  
Washington, D.C. 20460

C

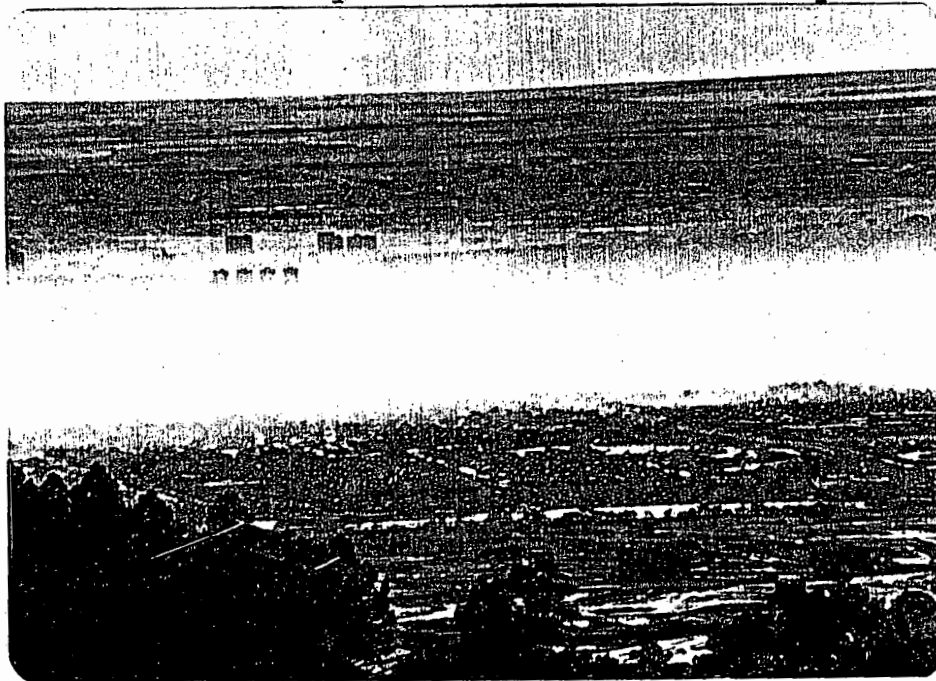
May 26, 1978

The Administrator

REPORT TO THE PRESIDENT

FROM: Douglas M. Costle

When you were in Denver for Sun Day, it was rainy, and the atmosphere was unusually free of the city's typical smog. I thought you might like to see the attached snapshot, taken from Lookout Mountain (about 15 miles west of the city line), on Friday, March 31, at 8:00 a.m. The foreground and background are relatively clear; the strip of smog hangs directly above the Valley Highway (I-25) that runs north-south--an excellent illustration of the automobile's contribution to Denver's problem. The four tall buildings in a row are a little over two miles south of the hotel in the central business district where you had breakfast Thursday morning.



The snapshot was sent to me by Joe Palomba, head of the Colorado State Health Department's air pollution control program.

A handwritten signature, likely of Douglas M. Costle, written in dark ink.

# WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Cabinet Summary	Andrew Young to Pres. Carter, 1 pg., re:UN activities	5/26/78	A
Cabinet Summary	Brown to Pres. Carter, w/attachments 3 pp., re:Defense activity summary	5/30/78	A

## FILE LOCATION

Carter Presidential Papers-Staff Offices, Office of Staff Sec.-Presidential Handwriting File 5/30/78 [1] Box 87

## RESTRICTION CODES

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Department of Energy  
Washington, D.C. 20585

May 26, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

JIM SCHLESINGER

SUBJECT:

Weekly Activity Report --  
Week of May 22 - 28, 1978

1. National Energy Act: With agreement on the major items of the natural gas conference completed, attention will turn to convincing Russell Long to move on COET while the details of the natural gas bill are being drafted. Without this type of movement, some key House members, including John Dingell, are likely to object to final drafting of the natural gas bill, thus preventing the four completed bills on which substantive agreement have been reached to be considered by the full House and Senate. Senator Long continues to give positive indications of his desire to move on COET quickly, but has previously indicated his desire to see floor action on natural gas completed before agreeing to an energy tax package. This position must be reversed, since floor action on natural gas will be lengthy, with a Senate filibuster a virtual certainty.

2. Petroleum Rule-Makings: Pressure continues to mount from California for relief to current excess supplies of residual fuel oil and the resultant shutting-in of some crude oil production and possible gasoline price rises this summer. I have talked with John Dingell, who is key to achieving Congressional acquiescence to proposed changes, and he is likely to give some indication of his views on the package which we previously proposed to you by early next week. Additional Congressional consultation can be completed shortly thereafter, and if no major obstacles are encountered, the Department would be in a position to issue a rule dealing with both the crude oil and refined product problems by the end of next week. It is likely that this would be coupled with action adjusting the East Coast entitlements system, since the California and East Coast constituencies together should make the two proposals politically viable in the Congress.

EXECUTIVE OFFICE OF THE PRESIDENT  
COUNCIL ON ENVIRONMENTAL QUALITY  
722 JACKSON PLACE, N. W.  
WASHINGTON, D. C. 20006

C  
/

May 26, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Charles Warren *Charles Warren*  
Gus Speth

SUBJECT: Weekly Status Report

Today we forwarded to you a memorandum concerning completion of our proposed NEPA regulations and of our intent to send them to the Federal Register next week for publication.



**Community** WASHINGTON, D.C. 20506  
**Services Administration**



C

MEMORANDUM TO THE PRESIDENT

May 26, 1978

Attention: Rick Hutcheson, Staff Secretary

FROM: Graciela (Grace) Olivarez, Director  
Community Services Administration

JD

SUBJECT: Weekly Report of Significant Agency Activities  
(May 21-26, 1978)

Energy Policy For The Poor

An "Energy Policy Charette" conference, directed by Atlanta's architect Paul Muldower, was sponsored by CSA this week in Washington, D.C. In what may have been the first time a federal agency has used this small group charette process as a policy development tool, representatives of several federal agencies, Congressional staff persons, low-income representatives from across the country and members of organizations concerned with energy and the environment met with CSA and Community Action Agency staff to develop goals and strategies for an energy policy for the poor. Final recommendations will be drawn up during the next few days.

CSA Appropriations for FY 1979

The House and Senate Appropriations Subcommittees on Labor-HEW deferred action on CSA until reauthorization legislation is passed and becomes public law. This determination also will delay subcommittee action on the additional appropriations recommended for the two items in the Urban Policy package: (1) CSA venture capital to five community development corporations, and (2) funds for Community Development Credit Unions to establish a new revolving loan fund.

VETS

White House Domestic Policy staff members met this week with CSA staff members to discuss plans to transfer CSA's Veterans Education and Training Services (VETS) to the Department of Labor. The seven-year-old VETS program, which has been administered by the National League of Cities in 27 cities, has provided more than 90,000 veterans with assistance in many areas, including education, jobs and veterans benefits. No definite time was set for the transition because DOL has not yet received money to run its comprehensive Vets Helping Vets program. Because DOL's appropriation request for \$100 million was cut to \$10 million, DOL plans to assimilate only 10 of CSA's 27 programs. Until DOL receives its money for its program, CSA will continue funding the program at an average cost of \$80,000 per month.





UNITED STATES DEPARTMENT OF COMMERCE  
Office of the Secretary  
Washington, D.C. 20230

"FYI" C

May 26, 1978

REPORT TO THE PRESIDENT

Recent announcements by several of the Nation's top corporations that they will limit executive compensation increases this year are most encouraging and further demonstrate the positive response of key business leaders to your inflation deceleration program discussions with them on April 20. AT&T, GM, Ford Motor Company, Alcoa, and Time Inc. are among those firms which have already announced their plans to limit such increases, and several other firms are seriously considering this matter. We will continue to work with the business sector on the importance of decelerating inflation.

The Private Sector Initiative Program briefing and dinner on Tuesday, organized by the White House, appeared to be especially effective in terms of mobilizing broad support for an Administration program. The event was well organized, provided the details of how a new policy proposal would work, and served as an excellent first step for building private sector and Congressional support. Similar events are needed to mobilize support for other Administration policy positions.

On Thursday Secretary Kreps forwarded to Congress the Administration's proposed legislation for the Labor Intensive Public Works Program--a major element of your urban policy initiative. The program is designed to generate private sector jobs in areas of high unemployment, with the provision that at least half of the jobs must be filled by the long-term unemployed and unemployed youths. The program would provide three billion dollars over three years for the rehabilitation of local public facilities, with emphasis on energy conservation measures and historical preservation. We are hopeful that Congress will act quickly on the FY79 portion of the program and we will be working closely to this end with the appropriate Committees.

In support of your solar energy review, we have determined that four Commerce agencies--the National Bureau of Standards, the National Oceanic and Atmospheric Administration, the Office of Minority Business Enterprise and the Economic Development Administration--are already significantly involved in the development and application of solar energy technology. Their programs focus on two common themes: the production and dissemination of technical information needed by private sector solar entrepreneurs, and experimental efforts to reduce the structural barriers to solar commercialization. We are confident we can aid your goals within present budget restraints by marshaling and focusing our resources more effectively and by working closely with the interested business community.

*Jerry J. Jasinowski*  
Jerry J. Jasinowski  
Acting Secretary





THE SECRETARY OF THE TREASURY

WASHINGTON

May 26, 1978

C

MEMORANDUM FOR THE PRESIDENT

Subject: Highlights of Treasury Activities

NEW YORK CITY

When the City's self-imposed May 20 deadline for resolving the crucial local negotiations was not met, Senator Proxmire cancelled his scheduled May 24 mini-hearing on this issue. I met with the Mayor and union leaders on Monday to urge redoubled efforts, and negotiations have continued on a round-the-clock basis. We are hoping that crucial pieces of State legislation will be approved in Albany today.

Proxmire's cancellation is not necessarily a major setback because he was and still is expected to hold full-fledged hearings in early June if the local issues are resolved. There is a reasonable prospect that such issues will be resolved by that time. It is likely, however, that Congressional deliberations on this issue will go right down to, or past, the June 30 expiration of our present lending legislation.

EXPORTS

The forthcoming Export Task Force report was discussed at this week's EPG meeting. It was agreed that an increased and highly visible effort will assist exports, but will lack credibility unless it contains a tax incentive. A decision memorandum is forthcoming from Commerce for a reform-minded, more cost/benefit efficient alternative to DISC, which could turn our pending Congressional defeat on this issue into a victory.

URBAN PROPOSALS

We have submitted to Congress all portions of the urban proposals under Treasury jurisdiction except for the National Development Bank, and are working closely with your staff and the Congress to see them through. We are drafting the proposed Bank legislation and hope to send it to the Hill next week.

### MULTILATERAL DEVELOPMENT BANKS LEGISLATION

The House Appropriations Committee voted out \$2,629 billion for the multilateral development banks for FY 79 as recommended by its Subcommittee on Foreign Operations. This represents a cut of \$876 million from the Administration request, the amount which Dave Obey and our other supporters felt could withstand further attempted cuts before final passage. The vote in the full Committee was only 22-20 in our favor. A maximum effort continues to be needed to assure floor passage and eventual enactment into law.

The Committee has, however, fully respected our priorities among the banks. They have provided full funding for the current replenishment of IDA; made a major dent in our back payments to the previous replenishment of IDA; and provided full funding for the capital of the Inter-American Development Bank, the Asian Development Fund and the African Development Fund.

### INTERNATIONAL MONETARY CONFERENCE (IMC)

On Wednesday I addressed a hundred of the world's top bankers at the annual meeting of the IMC in Mexico City. I also met with the Mexican-American Chamber of Commerce and with Mexican Government officials as part of our ongoing efforts to develop better relations.

### OIL IMPORT INVESTIGATION

In response to the Freedom of Information Act request on Treasury's Section 232 national security investigation of oil imports, we gave counsel an expurgated copy of the order initiating the investigation, copies of Congressional correspondence on this subject, plus a copy of a letter by the Sun Company requesting Treasury initiation of an investigation.

Mike

W. Michael Blumenthal



Office of the Attorney General  
Washington, D. C. 20530

May 26, 1978

Re: Principal Activities of the Department of  
Justice for the Week of May 22 through 26

1. Meetings and Events

On Tuesday, May 23, the Attorney General met in New York for lunch with the Editorial Board of the New York Times. That afternoon, he met with approximately 100 attorneys from the United States Attorney's Office for the Southern District of New York. On Friday, May 26, the Attorney General spoke at a luncheon in Atlanta on the occasion of the recent opening of the Atlanta Neighborhood Justice Center. The Attorney General also spoke at the Berry College Commencement in Mt. Berry, Georgia.

2. Lykes-LTV Merger

The Attorney General and the Assistant Attorney General for the Antitrust Division met this week for two hours with representatives from Lykes and LTV to listen to arguments regarding the proposed merger between Lykes and LTV, which would result in the merged operations of the Youngstown and Jones & Laughlin steel companies. The Attorney General set over for approximately one week a decision on whether the Justice Department will oppose this merger so that additional relevant information could be provided to him.

3. Legislative Report

a. LEAA - Plans are proceeding to introduce the LEAA reauthorization bill within the next few weeks. Senators Kennedy and Thurmond, and Representatives McClory and Rodino are expected to be cosponsors.

b. Illinois Brick - The Senate Judiciary Committee reported out this week a bill to overcome the effect of the Supreme Court's decision in Illinois Brick, which allowed only direct purchasers to collect damages in antitrust cases.



THE SECRETARY OF THE INTERIOR  
WASHINGTON

May 26, 1978

MEMORANDUM TO THE PRESIDENT

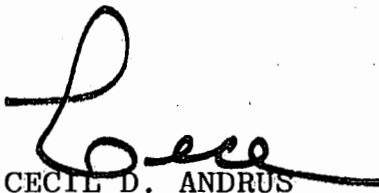
From: Secretary of the Interior

Subject: Major Topics for the Week of May 22

Alaska--"on track" in the Senate for late July. !?

Water Policy--"on track" for June 6th.

Interior's problems seem to be in a summer recess mode  
so there is no reason to trouble you this week.

  
CECIL D. ANDRUS

THE WHITE HOUSE  
WASHINGTON

May 30, 1978

Administrator Solomon

The attached was returned in  
Secret the President's outbox. It is  
forwarded to you for appropriate  
handling.

forwarded  
handling

Rick Hutcheson

Electrostatic Copy Made  
for Preservation Purposes

THE WHITE HOUSE  
WASHINGTON

ce

Jay  
Salomon



Administrator

May 26, 1978

MEMORANDUM FOR THE PRESIDENT

THRU: Rick Hutcheson

SUBJECT: Weekly Report of GSA Activities

Naming of Federal Buildings

no The Mississippi delegation has approached me regarding their desire to name the new Federal Building in Jackson, Mississippi, after retiring Senator James O. Eastland. They plan to introduce a bill to this effect. I was wondering if you would like to suggest the naming of the building for Senator Eastland before the bill is introduced.

no Ray Marshall and others have requested that the Department of Labor building be named for Frances Perkins, the first woman to be a member of the Cabinet and a former Labor Secretary. Have you any interest in this?

Selma, Alabama, to Acquire Major Portion of Craig Air Force Base

I met this week with Carl Morgan, Chairman, Craig Field Airport and Industrial Authority, and other local officials of Selma, Alabama, and Bobby Jones from Rep. Walter Flower's staff to discuss the Authority's application to acquire a major portion of the surplus Craig Air Force Base in Selma. It was mutually resolved that approximately 1,790 acres of land, including improvements, would be conveyed to the Authority for commercial airport and revenue producing purposes. Conveyance is expected to take place May 31. This transfer will allow industry to begin moving into the area immediately which will alleviate much of the negative economic impact created by the closing of Craig Air Force Base. The people from Selma remembered that as a campaign promise, you pledged to do all you could to expedite the process of acquiring the base for the city. They are very well satisfied that the promise has been fulfilled.

JAY SOLOMON  
Administrator



THE WHITE HOUSE  
WASHINGTON

May 30, 1978

Secretary Adams

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the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

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	FOR INFORMATION
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	JORDAN
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE

✓	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	RAFSHOON
	SCHNEIDERS
	VOORDE
	WARREN
	WISE



THE SECRETARY OF TRANSPORTATION  
WASHINGTON, D.C. 20590

*Brock  
J*

May 26, 1978

MEMORANDUM FOR THE PRESIDENT

ATTENTION: Rick Hutcheson, Staff Secretary

FROM: Brock Adams

SUBJECT: Significant Issues Pending at the Department  
of Transportation

*Brock Adams*

Highway/Transit Bill - Mike Blumenthal and Jim McIntyre joined me in supporting an amendment proposed by Congressmen Barber Conable and Sam Gibbons before the House Ways and Means Committee which would keep the Trust Fund on a "pay-as-you-go" basis and reduce the high Public Works Committee authorization of funds by preventing use of future revenues to fund current programs. I testified with Representatives of OMB and Treasury on this on Wednesday. I also went to Atlanta on Wednesday to meet with Governor Busbee and State DOT Director Tom Moreland to discuss the Federal Highway-Transit legislation. I am hopeful that this meeting will gain us support from the National Governors Association for changes we have recommended and prevent the high levels of the House bill from being in the final version.

Inflation Issues and the Elderly and Handicapped Regulations - Stu Eizenstat asked me to send to the White House the proposed notice of departmental regulations which are required to comply with HEW guidelines making all transportation facilities accessible to the elderly and handicapped. The current cost of these regulations is estimated at \$1.8 billion in current dollars and may run much higher over the life of the program because of inflation. Stu and the Council on Wage and Price Stability have the copies and have asked me to hold up issuing the notice although I am prepared to proceed. The deadline for complying with the HEW guidelines has passed and elderly and handicapped organizations are exerting pressure trying to get the documents released.

Civil Service Reform - As follow-up to last week's report, I have sent letters to all Members of the Authorization and Appropriations Committees with which the Department works, urging enactment of your Civil Service Reforms. I have also taped a presentation explaining these reforms which will be distributed for viewing by all DOT employees.

*Talk to  
Them*

Concorde Noise Rule - The Department will complete work next week on the final SST noise rule. The rule must then be reviewed sequentially by EPA and the Council on Environmental Quality for 30 days each. If the rule is not formally promulgated by the end of July, there is a possibility that the French Government will rescind certain rights they gave TWA to fly from Geneva to Nice. I am hopeful this situation will be avoided since the final rule is essentially identical to the earlier version which had extensive interagency review.

International Aviation - We have now issued in the Federal Register your International Aviation Policy Statement. I will discuss this with appropriate Ministers in Belgium and Holland when I am there next week, and make public statements in support of the Dutch who have agreed completely with our new comprehensive air policy. This will also be an opportunity to inform the Ministers of the other European countries that we are committed to a policy of fairness on both sides but must allow competition rather than accepting the European approach of pooling traffic and regulating all parts of the aviation industry.

# WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

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Cabinet Summary	Andrew Young to Pres. Carter, 1 pg., re:UN activities	5/26/78	A
Cabinet Summary	Brown to Pres. Carter, w/attachments 3 pp., re:Defense activity summary	5/30/78	A

**FILE LOCATION**

Carter Presidential Papers--Staff Offices, Office of Staff Sec.--Presidential  
Handwriting File 5/30/78 [1] Box 87

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THE WHITE HOUSE  
WASHINGTON

May 30, 1978

The Vice President  
Hamilton Jordan  
Tim Kraft  
Frank Moore  
Jody Powell  
Anne Wexler  
Joe Aragon  
Landon Butler  
Dick Moe  
Jerry Rafshoon  
Phil Wise

The attached was returned in the  
President's outbox today and is  
forwarded to you for your information.

Rick Hutcheson

DNC WEEKLY REPORT

# DEMOCRATIC

NATIONAL COMMITTEE 1625 Massachusetts Ave., N.W. Washington, D.C. 20036 (202) 797-5900

John C. White  
Chairman

MEMORANDUM  
May 26, 1978

TO: PRESIDENT CARTER  
THROUGH: RICK HUTCHESON  
FROM: JOHN C. WHITE *JCW*  
RE: WEEKLY STATUS REPORT ON DNC OPERATIONS

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## POLITICAL REPORT

Polling of DNC members on their primary concerns about the Winograd Commission and Executive Committee actions was started this week in preparation for the DNC meeting, June 9. This process will go toward resolving the ten year battle over past rules.

Preparations for the Fall campaign -- personal meetings with Congressional candidates, voter registration and get-out-the-vote plans -- were all initiated this week.

Election contests this week went according to form except in Kentucky where Congressman Breckenridge lost his bid, and in Oregon, where former Governor Tom McCall (R) was upset. McCall's defeat should improve Governor Straub's (D) chances for reelection due to the split among Republicans in that primary. This should prove helpful to us in 1980 also. (Senator Walter D. Huddleston's 75% of the Kentucky primary vote proved the expected backlash from the pro-Panama Canal Treaty position is unfounded).

Members of the staff are working with the Citizens Committee for the Tax Reform legislation. The Committee has sent a letter to the 110 Democratic Congressional candidates challenging Republican incumbents in support of the Tax Initiative and some of its more salient positions.

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## FINANCE

Ambassador Evan Dobelle came aboard this week and has already given the whole organization a lift.

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## STATE CHAIRS BREAKFAST

Cementing the relationship between the Administration and Party leadership continued successfully with your participation in the State Chairs Breakfast. Many of our party problems should be resolved within a few weeks.